

City of Falls Church Retirement Board Ethics Policy

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Policy Statement

It is the policy of the City of Falls Church Retirement Board to carry out its mission in accordance with the strictest ethical guidelines and to ensure that Board members and City staff conduct themselves in a manner that fosters public confidence in the integrity of the Retirement System, its processes, and its accomplishments. In addition to any duties set forth by statute, members are bound by fiduciary duties, which can be divided into three categories:

- Duty of loyalty – The obligation to act for the exclusive benefit of the plan participants and beneficiaries. The Board members must put the interest of all plan participants and beneficiaries above their own interests or those of any third parties. Regardless of their selection process, fiduciaries must be reminded that they do not represent a specific constituency or interest group.
- Duty of care – The responsibility to administer the plan efficiently and properly. The duty of care includes consideration and monitoring of the financial sustainability of the plan design and funding practices.
- Duty of prudence – The obligation to act prudently in exercising power or discretion over the interests that are subject of the fiduciary relationship. The general standard is that a Board member should act in a way that a reasonable or prudent person acts in a similar situation or in the conduct of their own affairs.

It is the purpose of this policy to provide guidance to Board members and staff in fulfilling their duty of loyalty.

General Standards of Ethical Conduct

The Board members and City staff must, at all times, conduct themselves in a manner that avoids favoritism, bias, and the appearance of impropriety.

A general summary of the restraints upon the conduct of all Board members and City staff includes, but is not limited to, those listed below. No Board member or employee shall:

- Solicit or accept anything of value from anyone doing business with the Board or System;

- Solicit or accept employment from anyone doing business with the Board or System, unless the Board member or employee completely withdraws from any Board and System discretionary or decision-making activity regarding the party offering employment, and the Board approves the withdrawal in the case of a Board member or the Administrator of the System, and the Administrator approves the withdrawal in the case of another employee;
- Use his or her public position to obtain benefits for the Board member or employee, a family member, or anyone with whom the Board member or employee has a business or employment relationship;
- Be paid or accept any form of compensation for personal services rendered on a matter before, or sell goods or services to, the Board or System;
- Hold or benefit from a contract with, authorized by, or approved by, the Board or System
- Vote, authorize, recommend, or in any other way use his or her position to secure approval of a Board or System contract (including employment or personal services) in which the Board member or employee, a family member, or anyone with whom the Board member or employee has a business or employment relationship, has an interest;
- Solicit or accept honoraria paid by any person or other entity, or by a representative or association of those persons or entities, doing business with the Board or System;
- During public service, and for one year after leaving public service, represent any person, in any fashion, before any public agency, with respect to a matter in which the Board member or employee personally participated while serving with the Board or System;
- Use or disclose confidential information protected by law, unless appropriately authorized;
- Use, or authorize the use of, his or her title, the name of the City of Falls Church Police and Basic Pension Fund in a manner that suggests impropriety, favoritism, or bias by the Board or System, or the Board member or employee;
- Solicit or accept any compensation, except as allowed by law, to perform his or her official duties or any act or service in his or her official capacity; and
- No Board member or an employee of the City whose position involves substantial and material exercise of discretion in the investment of retirement system funds shall solicit or accept from any person, including a partnership of which the System is a partner, payment of actual travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages. Board members and staff may claim reimbursement from the retirement system for reasonable reimbursement of expenses incurred in connection with their duties.

For purposes of this policy:

- "Anything of value" includes anything of monetary value, including, but not limited to, money, loans, gifts, food or beverages, social event tickets and expenses, travel expenses, golf outings, consulting fees, compensation, or employment. "Value" means worth greater than de minimis or nominal; the dollar amount cannot exceed \$100 per individual per year. Promotional items such as pens, notepads, T-shirts or similar that display a firm's logo do not count against this limit providing that the value is substantially below \$100.
- "Anyone doing business with the Board or System" includes, but is not limited to, any person, corporation, or other party that is doing or seeking to business with, regulated by, or has interests before the Board or System, including anyone who is known or should be known to be an agent or acting on behalf of such a party, including any partnership of which the system is a partner, any person or entity that has a contract related to investment of the System's funds, and any person marketing or otherwise attempting to secure business involving the System's funds.

Penalties

Failure of any Board member or employee to abide by this ethics policy, or to comply with any laws and related statutes regarding conflicts of interest, will result in discipline, which may include a recommendation from the Board to the City Council or City Manager for dismissal from the Board, as well as any potential civil or criminal sanctions under the law.

Procedure for Handling any Reported Possible Violation

If a credible allegation is made that a Board member has engaged in an ethics violation which shall include a violation of this policy, the Virginia Conflicts of Interest Act, or any other applicable rule or ethics or policy, and such allegation cannot be resolved informally then the Board may vote to have a team consisting of the Board Chair and Plan Administrator investigate whether an ethics violation has occurred. As part of that investigation the group shall meet with the person who allegedly engaged in the ethics violation. In the event the person with the possible ethics violation is the Chair or the Plan Administrator, the Board's Vice Chair will serve as part of the investigative group. The subcommittee shall report its findings to the Board, which may take such action as it deems appropriate in response thereto.

Evaluation and Changes

This policy shall be evaluated for effectiveness by the Retirement Board of the City of Falls Church annually at the first quarterly meeting of the calendar year. The policy may be changed only by a majority vote of the Board.